

1. Return copy or recorded original to:

COLONIAL BANK  
600 2ND AVE.  
P.O. BOX 270  
OPELIKA, AL 36801

Pre-paid Acct. #

2. Name and Address of Debtor

(Last Name First if a Person)

BATTLES, HOWARD E.  
BATTLES, LISA L.  
1221 COMMERCE DRIVE  
OPELIKA, AL 36801

Social Security/Tax ID #

(HOWARD)

(LISA)

2A. Name and Address of Debtor

(IF ANY)

(Last Name First if a Person)

Social Security/Tax ID #

☐ Additional debtors on attached UCC-E

3. SECURED PARTY (Last Name First if a Person)

Colonial Bank  
600 2ND AVE.  
P.O. BOX 270  
OPELIKA, AL 36801

Social Security/Tax ID #

☐ Additional secured parties on attached UCC-E

5. The Financing Statement Covers the Following Types (or Items) of Property:

ASSIGNMENT OF NOTE AND MORTGAGE FROM GEORGE P. COSTES AND  
JUDY D. COSTES DATED JUNE 7, 1991 (ATTACHED).  
ASSIGNMENT MADE TO HOWARD E. BATTLES OR LISA BATTLES.

5A. Enter Code(s) From Back of Form That Best Describes The Collateral Covered By This Filing:

$16.50 + 14.00 + 2.00 = 32.50$

Check X if covered: ☐ Products of Collateral are also covered.

6. This statement is filed without the debtor's signature to perfect a security interest in collateral (check X, if so)

- ☐ already subject to a security interest in another jurisdiction when it was brought into this state.  
☐ already subject to a security interest in another jurisdiction when debtor's location changed to this state.  
☐ which is proceeds of the original collateral described above in which a security interest is perfected.  
☐ acquired after a change of name, identity or corporate structure of debtor  
☐ as to which the filing has lapsed.

7. Complete only when filing with the Judge of Probate:

The initial indebtedness secured by this financing statement is \$ 10,900.50

Mortgage tax due (15¢ per \$100.00 or fraction thereof) \$ 16.50

8. ☐ This financing statement covers timber to be cut, crops, or fixtures and is to be cross indexed in the real estate mortgage records (Describe real estate and if debtor does not have an interest of record, give name of record owner in Box 5)

Signature(s) of Secured Party(ies)  
(Required only if filed without debtor's Signature — see Box 6)

Signature(s) of Debtor(s)

Signature(s) of Debtor(s)

HOWARD E. AND LISA L. BATTLES

Type Name of Individual or Business

Signature(s) of Secured Party(ies) or Assignee

Signature(s) of Secured Party(ies) or Assignee

COLONIAL BANK

Type Name of Individual or Business

(1) FILING OFFICER COPY — ALPHABETICAL  
(2) FILING OFFICER COPY — NUMERICAL

(3) FILING OFFICER COPY — ACKNOWLEDGEMENT  
(4) FILE COPY — SECOND PARTY(S)

(5) FILE COPY DEBTOR(S)

STANDARD FORM — UNIFORM COMMERCIAL CODE — FORM UCC-1  
Approved by The Secretary of State of Alabama



COLONIAL BANK

SECURITY AGREEMENT

OF

9/25

19 91

This Security Agreement is made and entered into between THE COLONIAL BANK OF

(hereinafter referred to as the "Secured Party") and  
(hereinafter referred to as the "Debtor").

1. CREATION OF SECURITY INTEREST.

In consideration of a loan or loans this date or hereafter made, Debtor hereby grants to Secured Party a security interest in the Collateral described in Paragraph 2, to secure the performance and payment of said loan or loans, and to secure all of Debtor's present and future debts, including future advances or additional loans Secured Party may make at its option to Debtor during the continued existence of this Agreement, and all liabilities of Debtor to Secured Party now existing or hereafter incurred, matured or unmatured, direct or contingent, and any renewals and extensions thereof. The Debtor further gives and grants to the Secured Party a security interest in all proceeds from the Collateral.

2. COLLATERAL.

The collateral subject to this Security Agreement, (hereinafter referred to as the "Collateral") is (if checked):

☒ ASSIGNMENT OF NOTE AND MORTGAGE FROM GEORGE P. COSTES AND JUDY D. COSTES  
DATED JUNE 7, 1991 (ATTACHED) ... ASSIGNMENT MADE TO HOWARD E. BATTLES OR  
LISA BATTLES.

☐ ACCOUNTS RECEIVABLE: All accounts, notes, drafts, contracts, orders, general intangibles and choses in action and other forms of obligations and receivables now or hereafter received by or belonging to Debtor for goods sold by Debtor or for services rendered by Debtor; all guaranties and securities therefor, all right, title and interest of Debtor in the merchandise which gave rise thereto; all rights of Debtor, earned or yet to be earned, under contracts to sell goods or render services and in the proceeds thereof, all of which are to be free from any and all claims of Debtor or anyone claiming through or under Debtor.

☐ INVENTORY: All of the inventory including without limitation, all goods, merchandise, raw and processed, finished goods and other tangible personal property now owned or hereinafter acquired and held for sale or lease or to be furnished under contracts of service or used or consumed in Debtor's business, including without limitation, returned or repossessed goods, and contract rights with respect to all inventory.

☐ EQUIPMENT, MACHINERY, ETC: All equipment, machinery, motor vehicles, parts, appliances, accessions, furniture and furnishings now owned or hereafter acquired by the Debtor and used in the operation of Debtor's business.

3. DEBTOR'S WARRANTIES.

Debtor warrants:

(a) Ownership — except for the security interest hereby granted, Debtor has, or in acquisition will have, full and fee simple title to the Collateral, free of all encumbrances; and the Debtor does hereby warrant and will forever defend the title to the Property unto the Secured Party, its successors and assigns, against the lawful claims of all persons;

(b) Location of Collateral — the Collateral will be kept or regularly garaged at following address:

and such location shall not be changed without written consent of Secured Party.

(c) Use — Collateral shall be used primarily for ☐ personal, family or household, or ☐ business, commercial or ☐ agriculture.

(d) Purchase Money — if checked here ☐ , the Collateral is being acquired by Debtor with proceeds from a loan from Secured Party, which proceeds will be used for no other purpose.

(e) Fixtures — if checked here ☐ , the Collateral is to be attached to real estate and the description of the real estate is

and the record owner of the real estate is

(f) Change of Address — Debtor shall immediately advise Secured Party in writing of any change in address.

(g) Performance of Agreement — Debtor shall perform all covenants and agreements set forth in this Security Agreement.

4. FINANCING STATEMENT.

At the request of Secured Party, Debtor will join in executing, or will execute, all necessary financing statements and any other documents deemed necessary by Secured Party in a form satisfactory to Secured Party and pay the cost of filing such statements or other documents. Debtor warrants that no financing statement covering Collateral or any part thereof or any proceeds thereof is presently on file in any public office.

5. PERSONS BOUND.

This Security Agreement benefits Secured Party, its successors and assigns, and binds the Debtor and their respective heirs, personal representatives, successors, and assigns. Debtor shall obtain Secured Party's prior approval of any proposed change in the form of business structure.

6. ALIENATION OF COLLATERAL.

Debtor will not, without the written consent of Secured Party, sell, contract to sell, lease, encumber, or otherwise dispose of Collateral or any interest therein or permit it to become an accession to other goods except in the ordinary course of business until the Security Agreement and all debts secured thereby have been fully satisfied.

7. PROTECTION OF COLLATERAL.

Debtor shall keep Collateral in good order and repair. Debtor shall not waste or destroy Collateral or any part thereof; and Debtor shall not use Collateral in violation of any statute or ordinance. Secured Party shall have the right to examine and inspect Collateral at any reasonable time.

Paragraphs 8 through 17 on the reverse side of this Security Agreement are incorporated herein by reference thereto.

IN WITNESS WHEREOF, the undersigned Debtor has caused this instrument to be executed under his seal on the day and year first written above.

CAUTION: IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT

1221 COMMERCE DRIVE

AUBURN, AL 36810

DEBTOR'S ADDRESS

WITNESS

Howard E. Battles (SEAL)  
Debtor  
Lisa Battles (SEAL)  
Debtor

## 8. MAINTENANCE OF COLLATERAL.

Debtor shall not permit the value of the Collateral to be impaired. Further, Debtor shall keep Collateral free from all liens, encumbrances, and security interests (other than Secured Party's security interest) and defend it against all claims and legal proceedings by persons other than Secured Party, and Debtor shall pay all costs, expenses, and fees in doing same. Unless Debtor has represented that the Collateral will be attached to real estate by describing the real estate and naming the record owner thereof, Debtor will not allow the Collateral to become attached to real estate in such manner as to become a fixture or a part of any real estate.

## 9. TAXES AND ASSESSMENTS.

Debtor shall pay promptly when due all taxes, license fees, assessments and other charges levied on Collateral or on its use and operation. Secured Party may, at its option and at any time, discharge taxes, liens, or interest on Collateral, and such discharge by Secured Party shall become a debt owing to it by Debtor and secured hereby.

## 10. INSURANCE.

If the original amount financed hereunder is Three Hundred Dollars (\$300.00) or more, the Debtor shall insure at his expense the tangible Collateral, against damage and theft and those hazards ordinarily covered by standard form all-risk insurance policies for amounts equal to the replacement value thereof, but in no event less than the full amount of the obligations set out herein; that such insurance will name both Debtor and Secured Party as insureds thereunder as their respective interests may appear, will be evidenced by an existing insurance policy satisfactory to Secured Party or will be placed with a company or companies satisfactory to Secured Party, will provide that all losses shall be adjusted with and paid to both Debtor and Secured Party and will be subject to alteration or cancellation only after ten days' written notice to Secured Party; and that Debtor will deliver to Secured Party a certificate or memorandum of such insurance within ten (10) days of the date hereof and renewals of such policy or policies at least fifteen (15) days prior to the expiration date(s) thereof, the said renewals or policies to be marked "paid" by the issuing company or agent; If the Debtor fails to keep the Collateral insured as above specified, then the Secured Party, may, at its option, insure the same for its insurable value and the cost of such insurance to Secured Party shall become a debt owing to it by Debtor and secured hereby; the proceeds from such insurance, if collected, shall be credited on, the indebtedness secured hereby, less the cost of collecting the same, or, at the election of the Secured Party, may be used in repairing or replacing the Property. No loss or damage to the Collateral shall otherwise affect the Debtor's obligations hereunder.

## 11. TIME OF PERFORMANCE.

When performing any act under this Security Agreement, time shall be of the essence.

## 12. WAIVER.

Failure of Secured Party to exercise any right or remedy, including but not limited to the acceptance of partial or delinquent payments, shall not be a waiver of any obligation of the Debtor, or right of Secured Party or constitute a waiver of any other similar default subsequently occurring.

## 13. PAYMENT.

If the Debtor pays all indebtedness comprehended by this agreement, and reimburses the Secured Party for any amount which it may have expended under the provisions hereunder, and shall do and perform all other acts and things herein agreed to be done, this conveyance and Security Agreement shall be null and void.

## 14. EVENTS OF DEFAULT.

Debtor shall be deemed to be in default hereunder in the event that:

- (a) Debtor shall default in the payment or performance of any or all of the obligations secured hereby;
- (b) Any warranty, representation or statement made or furnished to Secured Party by or on behalf of the Debtor in connection with this Agreement executed by the parties should prove to have been false in any material respect when made or furnished;
- (c) Any loss, theft, destruction or damage to the Collateral should occur;
- (d) Insurance as required herein is not kept in force;
- (e) Collateral is moved to another location without prior consent of Secured Party;
- (f) Debtor shall make a general assignment for the benefit of creditors, should suspend business or commit any act amounting to business failure, or should make a voluntary assignment or transfer of its interest in any of the Collateral (except as expressly authorized by Secured Party in writing or as authorized pursuant to Paragraph 6 of this Agreement) or in all or substantially all of its property;
- (g) A petition under any chapter of the Bankruptcy Act, as amended, or for the appointment of a receiver of all or any part of the property of Debtor, or under any other proceeding for the relief of creditors should be filed by or against Debtor; or
- (h) Creditor deems itself insecure for any reason including but not limited to any adverse change in Debtor's financial condition or deterioration in the value or condition of the Collateral.

## 15. REMEDIES OF SECURED PARTY.

In the event of default hereunder, or any time Secured Party in good faith believes that the prospective payment or performance owing to it is impaired, Secured Party may then, or at any time thereafter (such default not having previously been cured), declare the whole of the indebtedness hereby secured with interest thereon, to be immediately due and payable, without notice or demand therefor, and shall then have all the remedies of a Secured Party under the laws of the State of Alabama, including without limitation the following:

- (a) Secured Party may require Debtor to assemble the Collateral and to make it available to Secured Party at any convenient place designated by Secured Party.
- (b) Secured Party may take possession of the Collateral and control of any proceeds thereof, enter into any premises on which the Collateral or any proceeds or any part thereof may be situated and remove the same therefrom. Debtor hereby waives and releases Secured Party of and from any and all claims in connection with such removal.
- (c) Secured Party is expressly authorized to ask, demand, receive, compound, compromise, collect, and give receipts for payments of accounts receivable secured hereby, to institute, prosecute and compromise suits to recover thereon, and Secured Party shall be required to account only for such payments thereon as are actually received by Secured Party.
- (d) Written notice, when required by law, sent to the Debtor's address shown herein, or if none is shown, to any address of Debtor in Secured Party's files, at least five (5) calendar days (counting the day of sending) before the date of a proposed disposition of the Collateral is reasonable notice.
- (e) Debtor shall reimburse Secured Party for any expense incurred by Secured Party in protecting or enforcing its right under this Security Agreement, including without limitation reasonable attorney's fees and legal expenses and all expenses of insuring, taking possession, holding, preparing for disposition, and disposing of the Collateral. After deduction of such expenses, Secured Party may apply the proceeds of disposition to the indebtedness specifically secured hereby, as well as any other indebtedness or liability of Debtor to Secured Party secured hereby, in such order and amounts as it elects.
- (f) The Debtor waives all rights of exemption, except garnishment, under the Constitution and laws of the State of Alabama, and agrees to pay all costs of collection and foreclosure hereof, and where the amount financed exceeds Three Hundred Dollars (\$300.00), the Debtor further agrees to pay reasonable attorney fees not exceeding fifteen percent (15%) of the unpaid debt after default and referral to an attorney not a salaried employee of the Secured Party.
- (g) In the event of default, Secured Party is hereby authorized to apply to the payment of the debt any funds or credit held by Secured Party on deposit, in trust, or otherwise, and any other assets, collateral, rights or privileges of the Debtor, endorser, surety, or guarantor for account of the Debtor, insurer, surety, guarantor or any of them, but shall not be required to make such application unless Secured Party shall so elect.

## 16. GOVERNING LAW.

This Security Agreement shall be subject to and construed in accordance with the laws of the State of Alabama in all respects. If any provision hereof is contrary to, or prohibited by or deemed invalid by such laws, such provision shall be inapplicable and deemed omitted but shall not invalidate the remaining provisions hereof which shall remain valid and in full force and effect.

## 17. TERM OF AGREEMENT.

This Agreement shall constitute a continuing agreement applying to any and all future as well as existing transactions between Debtor and Secured Party, and all powers, rights, privileges, obligations, and duties herein set forth shall apply to, inure to the benefit of, and be binding on the heirs, executors, administrators, successors and assigns of Debtor and Secured Party. This Agreement shall subsist so long as Debtor shall in any manner be indebted to Secured Party or the assigns or successors of Secured Party, and until the surrender to Debtor of this instrument.